



MARKET AT A GLANCE



OCCUPANCY RATE **95.3%**
Up **20 bps** since 1Q18



EFFECTIVE RENT **\$1,356**
Up **4.1%** since 1Q18

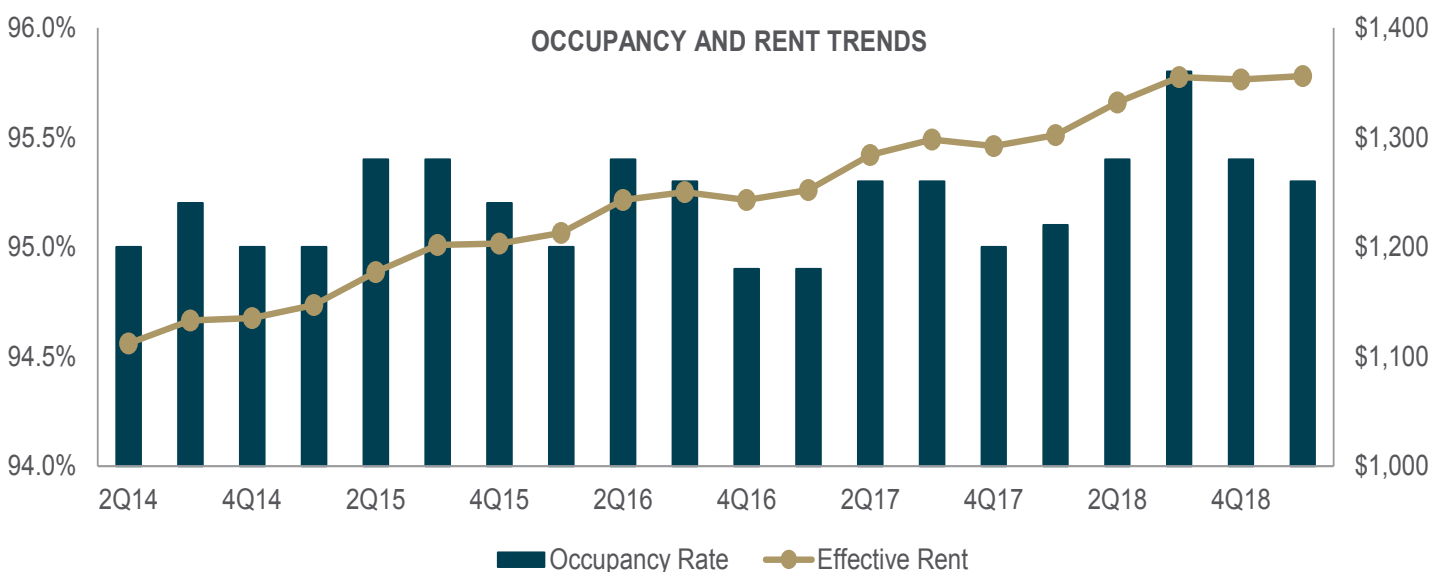


TOTAL INVENTORY **18.3m**

OCCUPANCY AND RENT TRENDS

RISING APARTMENT OCCUPANCY UNDERPINS HEALTHY RENT GROWTH

Renting remained an attractive option for many residents across the United States as sustained demand contributed to rising apartment occupancy. Underpinning leasing activity was accelerating job growth and a lack of affordable starter homes available across the nation. At the same time, household formation accelerated 1.9% to outpace the 1.6% increase in U.S. apartment inventory. Builders brought 292,924 apartment units online during the last four quarters, down 2.7% from deliveries during the preceding year, as developers continued to scale back construction since inventory growth hit a postrecession peak in 2017. While the Dallas-Fort Worth metro remained one of the top markets for new supply, the Seattle-Tacoma metropolitan area shifted up among the top three markets in the country for apartment additions. Demand for apartments nationwide remained greater than inventory growth for the second-consecutive year, leading to a 20-basis-point annual increase in occupancy to 95.3% in the first quarter of 2019. With occupancy rising, apartment operators kept pressure on rent. Average effective rent advanced 4.1% annually to an average of \$1,356 per month in March 2019.



NATIONAL TRENDS

MULTIFAMILY REPORT

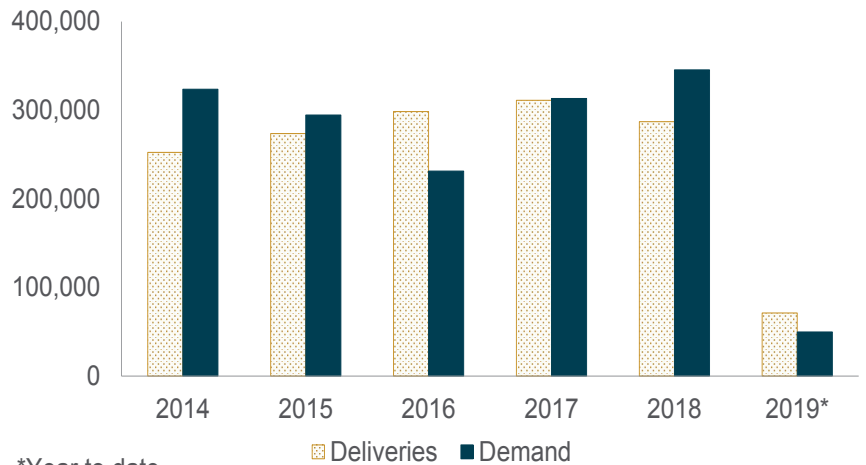
DELIVERIES AND DEMAND



DELIVERIES 71,231
Units YTD



NET ABSORPTION 49,695
Units YTD



*Year to date

■ Deliveries ■ Demand

ECONOMIC TRENDS

2018 **UNEMPLOYMENT*** 2019
4.1% **-10 BPS CHANGE** 4.0%

2018 **EMPLOYMENT*** 2019
147.8m **1.9% CHANGE** 150.6m

2018 **EXISTING SFH SALES**** 2019
5.61m **-1.8% CHANGE** 5.51m

2018 **MEDIAN SFH PRICE**** 2019
\$242.6k **3.6% CHANGE** \$251.4k

2018 **10-YEAR TREASURY***** 2019
2.84% **-30 BPS CHANGE** 2.57%

The U.S. labor force continued to expand at an accelerated rate, which helped boost demand for housing. Every employment sector posted gains as total nonfarm employment increased 1.9% annually through January 2019, up from 1.4% growth during the preceding year. The uptick came as the unemployment rate further tightened, lowering 10 basis points year over year to 4.0% in January 2019. At the same time, wage growth accelerated from 3.0% one year prior to 3.7% in January 2019. Boosting the national economy was the 539,000 professional and business services jobs created, for 2.6% annual growth through January 2019. White-collar head counts also grew with 125,000 combined additions in the financial activities and information sectors. Job creation was also robust in the education and health services industry. Employers created 531,000 net positions, for 2.3% annual growth. At the metro level, the 6.5% annual employment expansion in Reno since January 2018 led the nation.

*January; **February; ***March



NATIONAL TRENDS

MULTIFAMILY REPORT

TOP 15 RENT GROWTH MARKETS

MARKET	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q19	ANNUAL	1Q19	ANNUAL
Phoenix	95.0%	95.3%	6.2%	8.9%	\$1,007	\$1,096	1,210	7,841	1,568	6,883
Reno	96.8%	96.3%	9.9%	8.3%	\$1,066	\$1,155	286	1,580	584	1,837
Las Vegas	94.7%	94.9%	7.5%	8.0%	\$950	\$1,026	-79	2,677	554	2,469
Tucson	94.4%	95.0%	5.4%	7.7%	\$728	\$784	-74	662	13	186
Tampa-St. Petersburg	95.5%	95.3%	5.3%	6.8%	\$1,137	\$1,214	684	4,665	1,037	5,407
Birmingham	93.5%	94.4%	2.3%	6.7%	\$882	\$941	-145	894	78	208
Atlanta	94.1%	94.4%	4.9%	5.9%	\$1,145	\$1,213	827	9,756	2,711	8,974
Greenville, SC	94.1%	94.7%	3.6%	5.7%	\$896	\$947	75	1,056	190	673
Orlando	96.6%	96.0%	7.5%	5.5%	\$1,170	\$1,234	924	4,940	1,451	6,560
San Diego	96.6%	96.6%	4.3%	5.4%	\$1,825	\$1,923	967	3,925	935	4,054
Los Angeles South	96.8%	97.1%	6.6%	5.3%	\$1,795	\$1,889	123	1,770	250	529
Jacksonville	95.1%	95.0%	6.6%	5.3%	\$987	\$1,039	413	2,668	790	2,987
Nashville	94.4%	94.3%	2.6%	5.2%	\$1,136	\$1,196	552	5,420	1,227	5,850
South Florida	95.6%	95.5%	2.4%	5.1%	\$1,560	\$1,640	2,226	7,907	1,753	9,017
Memphis	93.9%	94.2%	3.2%	5.1%	\$802	\$843	-39	936	224	614
NATIONAL AVERAGE	95.1%	95.3%	4.0%	4.1%	\$1,302	\$1,356	49,695	315,088	71,231	292,924

TOP 15 OCCUPANCY MARKETS

MARKET	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q19	ANNUAL	1Q19	ANNUAL
Los Angeles South	96.8%	97.1%	6.6%	5.3%	\$1,795	\$1,889	123	1,770	250	529
Los Angeles North	96.5%	96.8%	3.8%	4.1%	\$1,943	\$2,023	591	2,696	624	1,836
Minneapolis-St. Paul	96.8%	96.7%	4.4%	4.1%	\$1,256	\$1,308	188	4,228	603	4,701
New York	96.5%	96.7%	0.5%	2.6%	\$3,339	\$3,433	719	20,205	4,642	16,079
San Diego	96.6%	96.6%	4.3%	5.4%	\$1,825	\$1,923	967	3,925	935	4,054
Milwaukee	95.3%	96.6%	2.3%	3.7%	\$1,081	\$1,121	1,238	4,024	678	2,321
Reno	96.8%	96.3%	9.9%	8.3%	\$1,066	\$1,155	286	1,580	584	1,837
Knoxville	96.3%	96.3%	4.3%	4.8%	\$849	\$890	-146	605	186	627
Inland Empire, CA	96.3%	96.3%	5.1%	4.4%	\$1,377	\$1,438	62	1,646	463	1,739
Ventura County	96.4%	96.2%	4.0%	4.5%	\$1,836	\$1,918	104	429	111	532
Orange County, CA	96.0%	96.2%	3.6%	3.3%	\$1,974	\$2,040	-2	3,477	316	3,210
Richmond	95.6%	96.1%	4.5%	4.8%	\$1,021	\$1,070	732	2,307	624	1,907
Detroit	96.0%	96.1%	4.2%	3.7%	\$911	\$945	-1,010	1,025	189	783
Orlando	96.6%	96.0%	7.5%	5.5%	\$1,170	\$1,234	924	4,940	1,451	6,560
Sacramento	96.3%	96.0%	5.8%	4.1%	\$1,389	\$1,446	-418	430	191	896
NATIONAL AVERAGE	95.1%	95.3%	4.0%	4.1%	\$1,302	\$1,356	49,695	315,088	71,231	292,924



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